

FY 2002-03 BUDGET

BUDGET SECTION SUMMARY

Section Title:

SANITATION ZONE - AIRPORT / LARKFIELD / WIKIUP

A. Program Description

This budget finances the operation, maintenance, and administration of a collection system, trunk line, and treatment plant serving the Airport/Larkfield/Wikiup area.

B. Financial Summary

Section	GROSS EXPENDITURES			NET COST/USE OF FUND BALANCE		
	FY 01-02 Adopted	FY 02-03 Requested	Percent Change	FY 01-02 Adopted	FY 02-03 Requested	Percent Change
Operations	\$1,541,300	\$1,541,300	0.00%	\$555,832	\$555,832	0.00%
Bonds	2,949,250	349,250	(88.16%)	2,472,000	(128,000)	(105.18%)
Construction	2,453,868	1,332,500	(45.70%)	(1,864,132)	1,314,500	(170.52%)
TOTAL:	\$6,944,418	\$3,223,050	(53.59%)	\$1,163,700	\$1,742,332	49.72%

C. Staffing Summary

No staffing is allocated to this index.

D. Workload Summary

Workload Indicator	FY 00-01 Actual	FY 01-02 Budget Estimate	FY 01-02 Revised Estimate	FY 02-03 Projected	Change from FY 01-02 Budget Estimate
Total ESDs	2,850	2,890	3,011	3,028	4.78%
Total APNs	2,484	2,484	2,501	2,532	1.93%

E. Summary of Issues and Significant Changes

The ASZ's treatment plant was originally designed as a zero discharge plant with the ability to treat an average daily dry weather flow of up to 0.3 million gallons per day (mgd) to secondary wastewater treatment standards. The original design allowed for future expansion of the treatment plant, in 0.3 mgd increments, to eventually increase the treatment capacity to 1.2 mgd. An expansion project in 1989 increased the treatment and disposal capacity to 0.6 mgd. A second expansion project, completed in 1997, increased the treatment capacity, only, to 0.9 mgd. The Agency submitted an analysis of the Airport SZ storage and disposal capacity to the California Regional Water Quality Control Board, North Coast Region (NCRWQCB) in April of 1999. The analysis concludes that the actual storage and disposal capacity of the Airport SZ is currently 0.718 mgd. Since the analysis was submitted, the NCRWQCB has not taken action to amend the permitted capacity of the Airport SZ facilities and the permitted capacity remains at 0.6 mgd.

E. Summary of Issues and Significant Changes (Continued)

In October of 1999, the Agency's Board of Directors approved the Airport-Larkfield-Wikiup Sanitation Zone Storage, Reclamation, and Treatment Facilities Project (referred to as the Reclamation Facilities Project). The Reclamation Facilities Project includes construction of up to approximately 200 million gallons of storage, pipelines from existing facilities to new storage sites and/or disposal (reclamation) sites, addition of reclamation sites as necessary, upgrading the treatment plant to a tertiary level, and discharge into the City of Santa Rosa's Geysers Recharge project. The project was proposed because current treatment plant inflows are nearing the capacity of the existing storage and disposal facilities. Completion of the Reclamation Facilities Project will provide sufficient storage and reclamation capacity to accommodate design flows for current and expected treatment plant expansion projects.

In FY 00-01, the Airport SZ issued revenue bonds amounting to \$6,570,000 to finance the Reclamation Facilities Project. Presently, the treatment plant is being upgraded to a tertiary treatment level and a 110 million gallon storage pond at Site D is under construction. Both of these projects are expected to be completed during FY 01-02.

In January 2000, Agency staff held a Sanitation Workshop presenting a summary of operational and regulatory issues associated with sanitation systems operated by the Agency, providing information regarding past operational practices, changes in the regulatory environment, the estimated cost of sanitation services, and strategies for addressing current and future operational issues. Three levels of service and their costs were identified for each of the sanitation systems and are described below.

Minimum Level of Service: Includes services necessary for the protection of public health, employee safety, and public safety.

Standard Level of Service: Includes services necessary to operate and maintain the sanitation systems in order to limit or reduce the risk of (1) service interruption and (2) violations of the respective National Pollutant Discharge Elimination System (NPDES) permit or Waste Discharge Requirements (WDRs) issued by the Regional Boards.

Asset Preservation Level of Service: Includes services and programs necessary to (1) operate, maintain and replace facilities and equipment within the sanitation systems in order to preserve the system's assets, (2) provide a beneficial impact on the quality of life in the community, and (3) provide economic savings to the ratepayers through optimizing life cycle costs.

The requested rate per ESD for FY 01-02 annual service charges is \$328, representing a 6.15% increase from FY 00-01. The requested increase will fully fund the programs and services necessary to provide a standard level of service and partially fund programs necessary to provide an asset preservation level of service for the forthcoming fiscal year.

F. Summary of Reduction Options

No reduction options are proposed.

G. Attachments

- Summary of Revenues and Expenditures
- Character Justification
- Statement of Special Fund Activity

FY 2002-03 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: SANI ZONE - AIRPORT / LARKFIELD / WIKIUP - OPERATIONS

Section/Index No: 682104

Sub-Object No. and Title	Adopted 2001-02	Requested 2002-03	Difference	Percent Change
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REVENUES:

TAXES

1001 Flat Charges - CY	\$861,138	\$861,138	(\$0)	(0.00%)
1061 Flat Charges - PY	11,000	11,000	0	0.00%
1120 Penalties / Costs on Taxes	2,000	2,000	0	0.00%

Subtotal Taxes	\$874,138	\$874,138	(\$0)	(0.00%)
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USE OF MONEY

1700 Interest on Pooled Cash	\$29,250	\$29,250	\$0	0.00%
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Subtotal Use of Money	\$29,250	\$29,250	\$0	0.00%
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CHARGES FOR SERVICES

3400 Sanitation Services	\$77,080	\$77,080	\$0	0.00%
3403 Ind Users Monitoring/Discharge	5,000	\$5,000	0	0.00%

Subtotal Charges for Services	\$82,080	\$82,080	\$0	0.00%
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TOTAL REVENUES	\$985,468	\$985,468	(\$0)	(0.00%)
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EXPENDITURES:

SERVICES AND SUPPLIES

6040 Communications	\$2,100	\$2,100	\$0	0.00%
6180 Maintenance - Bldgs/Impr	120,000	120,000	0	0.00%
6262 Lab Supplies	2,100	2,100	0	0.00%
6522 District Services	495,000	495,000	0	0.00%
6570 Consultant Services	20,000	20,000	0	0.00%
6573 Administration Costs	8,300	8,300	0	0.00%
6610 Legal Services	2,000	2,000	0	0.00%
6630 Audit / Accounting Services	5,800	5,800	0	0.00%
7212 Chemicals	20,000	20,000	0	0.00%
7217 State Permits / Fees	7,500	7,500	0	0.00%
7247 Water Conservation Program	10,000	10,000	0	0.00%
7250 Reimbursable Projects	0	0	0	N/A
7320 Utilities	200,000	200,000	0	0.00%

Subtotal Services and Supplies	\$892,800	\$892,800	\$0	0.00%
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Sub-Object No. and Title	Adopted 2001-02	Requested 2002-03	Difference	Percent Change
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FY 2002-03 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

OTHER CHARGES

7980 Depreciation	\$375,000	\$375,000	\$0	0.00%
Subtotal Other Charges	\$375,000	\$375,000	\$0	0.00%

FIXED ASSETS

8510 Buildings / Improvements	\$0	\$0	\$0	N/A
Subtotal Fixed Assets	\$0	\$0	\$0	N/A

OTHER FINANCING USES

8625 OT - W/in Special Dist - BOS	\$237,500	\$237,500	\$0	0.00%
Subtotal Other Financing Uses	\$237,500	\$237,500	\$0	0.00%

APPROPRIATIONS FOR CONT

9000 Appropriations for Contingencies	\$36,000	\$36,000	\$0	0.00%
Subtotal Appropriations for Contin.	\$36,000	\$36,000	\$0	0.00%

TOTAL EXPENDITURES	\$1,541,300	\$1,541,300	\$0	0.00%
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TOTAL NET COST

(Expenditures Minus Revenues)

\$555,832	\$555,832	\$0	0.00%
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FY 2002-03 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Sanitation Zone - Airport/Larkfield/Wikiup - Operations

Character: Taxes

Character No.: 682104-10

1001 Flat Charges - CY

Flat charge revenue from annual service charges is expected to increase from the adopted FY 00-01 budget. The rate will increase approximately 6.15%, from \$309 to \$328. Additionally, the number of ESDs charged on the tax roll is expected to increase from 2,890 budgeted in FY 00-01 to 3,028 for FY 01-02.

ESDs times annual rate: 2,793 x \$328 \$916,104

Less Estimated Delinquency Factor: 6% (54,966)

\$861,138

1061 Flat Charges - PY

This account records the estimated delinquent amount of prior years sewer service charges.

1120 Penalties / Costs on Taxes

This item records penalties paid on delinquent sewer service charges.

Character: Use of Money

Character No.: 682104-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the Zone by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance \$650,000

Projected Interest Rate 4.50%

Projected/Planned Interest on Pooled Cash \$29,250

Character: Charges for Services

Character No.: 682104-30

3400 Sanitation Services

This account records annual sewer service charges for entities that are invoiced, rather than collected as flat charges on the tax roll, and for new hook-ups as they occur during the year. The Sanitation Rate Ordinance requires that charges be collected at the time permits are issued. The properties are then added to the tax roll master listing and collected through sub-object 1001, Flat Charges, in the following year.

Based on projected FY 01-02 ESDs, the Zone will experience an increase in revenue from invoiced entities. The budgeted revenue reflects an increase in the annual sewer service charge from \$309 to \$328.

ESDs x Annual Charge 235 x \$328 = \$77,080

FY 2002-03 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Sanitation Zone - Airport/Larkfield/Wikiup - Operations

Character: Charges for Services (continued)

Character No.: 682104-30

3403 Ind Users Monitoring/Dischg

This account records revenue associated with the Industrial Users Monitoring program or revenue received from any industrial user for events such as an unauthorized (or specially authorized) discharge into the treatment plant. The budgeted amount is expected to offset monitoring expenses anticipated to be incurred primarily by the Agency's Industrial Waste Inspector (see expenditure sub-object 7250, Reimbursable Projects).

Character: Services and Supplies

Character No.: 682104-60

6040 Communications

This account records expenses paid by the Zone for outside communication services such as Pacific Bell and AT&T.

6180 Maintenance - Bldgs / Impr

This account records the cost of parts and materials required to maintain the collection system and treatment facilities. There is no increase requested for the forthcoming year.

6262 Laboratory Supplies

This account records the cost of lab supplies required for testing and monitoring wastewater.

6522 District Services

This account records the cost of labor and overhead required for operation and maintenance of the Zone's facilities and equipment, as well as other related service and supply items. The substantial increase in the requested budget reflects the costs identified for District Services necessary to provide a standard level of service for the ALW Sanitation Zone.

6570 Consultant Services

This account records the cost of consultant services required in support of special projects.

6573 Administration Costs

This account represents the 1% administration fee assessed by the County for processing collection of flat charges on the tax roll.

6610 Legal Services

This item is requested to provide funds for the estimated cost of legal services to be provided by County Counsel, or outside legal services, as required.

6630 Audit / Accounting Services

This item represents the direct allocation of Auditor-Controller Fiscal Services staff costs for time expected to be spent on the Zone's accounting.

FY 2002-03 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Sanitation Zone - Airport/Larkfield/Wikiup - Operations

Character: Services and Supplies (continued) **Character No.:** 682104-60

7212 Chemicals

This account records the cost of chemicals required for operation of the treatment plant. The amount requested for the forthcoming year is considered necessary to meet the discharge requirements of the Zone's NPDES permit, as required by the State Water Quality Control Board.

7217 State Permits / Fees

This account records the cost of District permits related to NPDES, as mandated by the Regional Water Quality Control Board.

7247 Water Conservation Program

This account records the cost of a Water Conservation Program for the Zone. FY 01-02 represents the forth year of the program in the ALW Zone.

7250 Reimbursable Projects

This account records any expenses that are expected to be covered by reimbursement. No funds are requested for FY 01-02.

7320 Utilities

This account records the cost of payments made for utilities such as gas, electricity, and water. This request has been increased in the forthcoming year, based upon current year projections for higher power costs.

Character: Other Charges **Character No.:** 682104-75

7980 Depreciation

Generally accepted accounting principles require that depreciation be expensed each year.

Character: Fixed Assets **Character No.:** 682104-85

8510 Buildings / Improvements

No funds are requested for the forthcoming fiscal year as all buildings and improvements are being budgeted in the construction fund.

FY 2002-03 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Sanitation Zone - Airport/Larkfield/Wikiup - Operations

Character: Other Financing Uses

Character No.: 682104-86

8625 OT - W/in Special Dist - BOS

This account reflects the transfer of cash from the operations fund to the Bond Fund for payment of one-half the principal and interest (\$237,500).

Character: Appropriations for Contingencies

Character No.: 682104-90

9000 Appropriations for Contingencies

This account provides funding for unanticipated expenditures or revenue shortfalls.

FY 2002-03 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Section: Sanitation Zone - Airport / Larkfield / Wikiup - Operations
Index No.: 682104

DESCRIPTION OF FUND ACTIVITY	Actual FY 00-01	Estimated FY 01-02	Requested FY 02-03
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$975,088	\$1,303,788	\$1,347,807
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	1,057,912	978,519	985,468
Expenditures - (Decrease) fund balance	(1,098,017)	(1,309,500)	(1,541,300)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	(40,105)	(330,981)	(555,832)
Adjustments to Reserves/Encumbrances:			
7980 - Depreciation	367,554	375,000	375,000
8090 - Loss on Fixed Asset	0	0	0
Net Change in Encumbrance	1,251		
Net Adjustment - Increase/(Decrease) to Fund Balance	368,805	375,000	375,000
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$1,303,788	\$1,347,807	\$1,166,975
Total Increase/(Decrease) in Fund Balance for Fiscal Year (Difference between Beginning and Ending Balance)	\$328,700	\$44,019	(\$180,832)
<u>Fund Balance Components at Beginning of FY</u>	<u>7/1/00</u>	<u>7/1/01</u>	
Cash	\$968,716	\$1,071,701	
Accounts Receivable	2,977	0	
Other Receivables	27,487	49,587	
Prepaid Expense	0	0	
Accounts Payable	(17,737)	(10,615)	
Encumbrances	(6,355)	(5,104)	
Total Beginning Fund Balance	\$975,088	\$1,105,569	

FY 2002-03 BUDGET

SUMMARY OF REVENUES AND EXPENDITURES

Section Title: **SANITATION ZONE - A.L.W. - BONDS**

Section/Index No: **682203**

Sub-Object No. and Title	Adopted 2001-02	Requested 2002-03	Difference
REVENUES:			
<u>TAXES</u>			
1000 Prop Taxes - CY Secured	\$0	\$0	\$0
1020 Prop Taxes - CY Supplemental	0	0	0
1040 Prop Taxes - CY Unsecured	0	0	0
1060 Prop Taxes - PY Secured	0	0	0
Subtotal Taxes	\$0	\$0	\$0
<u>USE OF MONEY</u>			
1700 Interest on Pooled Cash	\$2,250	\$2,250	\$0
Subtotal Use of Money	\$2,250	\$2,250	\$0
<u>INTERGOVERNMENTAL REVENUES</u>			
2440 St - HOPTR	\$0	\$0	\$0
Subtotal Intergovernmental Revenues	\$0	\$0	\$0
<u>ADMINISTRATIVE CONTROL</u>			
4200 Long Term Debt - Proceeds	\$0	\$0	\$0
4209 Long Term Debt Clearing	\$0	\$0	\$0
Subtotal Administrative Control	\$0	\$0	\$0
<u>OTHER FINANCING SOURCES</u>			
4625 OT -W/in Special Dist - BOS	\$475,000	\$475,000	\$0
Subtotal Other Financing Sources	\$475,000	\$475,000	\$0
TOTAL REVENUES	\$477,250	\$477,250	\$0

FY 2002-03 BUDGET

SUMMARY OF REVENUES AND EXPENDITURES

SUMMARY OF REVENUES AND EXPENDITURES

Index No.:

EXPENDITURES:

SERVICES AND SUPPLIES

6635 Fiscal Agent Fees	\$0	\$0	\$0
6640 Debt Issuance	7,500	7,500	-
Subtotal Services and Supplies	\$7,500	\$7,500	\$0

OTHER CHARGES

7920 Interest	\$340,000	\$340,000	\$0
7923 Discount/Bonds	1,750	\$1,750	-
Subtotal Other Charges	\$341,750	\$341,750	\$0

OTHER FINANCING USES

8625 OT -W/in Special District - BOS	\$2,600,000	\$0	(\$2,600,000)
Subtotal Other Charges	\$2,600,000	\$0	(\$2,600,000)

ADMINISTRATIVE CONTROL ACCOUNT

9200 Ent - Principal	\$135,000	\$135,000	\$0
9209 Ent - Principal Clearing	(135,000)	(135,000)	0
Subtotal Administrative Control	\$0	\$0	\$0

TOTAL EXPENDITURES	\$2,949,250	\$349,250	\$2,600,000
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TOTAL NET COST	\$2,472,000	(\$128,000)	\$2,600,000
<i>(Expenditures Minus Revenues)</i>			

Percent
Change

N/A
N/A
N/A
N/A

N/A

0.00%

0.00%

N/A

N/A

N/A
N/A
N/A

0.00%

0.00%

0.00%

682203

N/A
0.00%

0.00%

0.00%
0.00%

0.00%

(100.00%)

(100.00%)

0.00%
0.00%

N/A

88.16%

105.18%

**FY 2002-03 BUDGET
CHARACTER JUSTIFICATION**

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Sanitation Zone - A.L.W. - Bonds

Character: Use of Money Character No.: 682203-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the Zone by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$50,000
Projected Interest Rate	4.50%
Projected/Planned Interest on Pooled Cash	<u>\$2,250</u>

Character: Other Financing Sources Character No.: 682203-46

4625 OT - W/in Special Dist - BOS

This account records the transfer of funds from the Operations Fund (\$237,500) and the Construction Fund connection fees (\$237,500) to cover debt payment.

Character: Services and Supplies Character No.: 682203-60

6635 Fiscal Agent Fees

This account records the fee collected by the County Treasurer for acting as the fiscal agent.

6635 Fiscal Agent Fees

This account records the cost of obtaining bond funding.

Character Title: Other Charges Character No.: 682203-75

7920 Interest

This account reflects the interest expense on the outstanding revenue bonds. The interest rate is 4%. Payments begin October, 2001 and will continue semi-annually until October, 2026. The request for the forthcoming fiscal year is based on the bond amortization schedule prepared at the time the bonds were sold.

7923 Discount/Bonds

This account records the amount of bond discount applicable.

Character: Administrative Control Character No.: 681205-92

**FY 2002-03 BUDGET
CHARACTER JUSTIFICATION**

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Sanitation Zone - A.L.W. - Bonds

9200 Ent - Principal

This account reflects the principal expense for revenue bonds that were issued in FY 00-01 to finance the capital improvements. Payments on the bonds will continue until October, 2026. The request for the forthcoming fiscal year is based on the bond amortization schedule prepared at the time the bonds were sold.

The following reflects the bond principal payment history to date:

Original Amount of the Revenue Bond Issue:	\$6,570,000
Principal Payments through FY 00-01:	0
FY 00-01 Principal Payment:	(135,000)
	<hr/>
Outstanding Bond Amount	\$6,435,000

9209 Ent - Principal Clearing

This is the clearing account for sub-object 9200, Ent - Principal.

FY 2002-03 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Section: Sanitation Zone - A.L.W. - Bonds
Index No.: 682203

DESCRIPTION OF FUND ACTIVITY	Actual FY 00-01	Estimated FY 01-02
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance		
Available for Budgeting (See Detailed Components Below)	\$0	\$865
Annual Revenues and Expenditures:		
Revenues - Increase fund balance	318,449	135,000
Expenditures - (Decrease) fund balance	(3,413,297)	-
Net Surplus or Deficit - Increase/(Decrease) to fund balance	(3,094,848)	135,000
Adjustments to Reserves/Encumbrances:		
4200 Proceeds from LT Debt	6,000,000	-
6640 Debt Issuance Costs	7,349	-
7920 Interest Expense (pc from cash with Trustee)	318,421	-
7923 Discount on Bonds	1,634	-
Principal	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	327404	-
Undesignated/Unreserved <u>ENDING</u> Fund Balance		
Available for Budgeting	(\$2,767,444)	\$135,865
Total Increase/(Decrease) in Fund Balance for Fiscal Year (Difference between Beginning and Ending Balance)	(\$2,767,444)	\$135,000
<u>Fund Balance Components at Beginning of FY</u>	<u>7/1/00</u>	<u>7/1/01</u>
Cash	\$0	(\$2,028,706)
Cash with Trustee	0	5,355,571
Cash with Trustee Reserved for Debt Service	0	(478,298)
Matured Bonds Payable	0	(135,000)
Interest Payable	0	(85,291)
Total Beginning Fund Balance	\$0	\$2,628,276

Requested FY 02-03

\$135,865

477,250
(349,250)

128,000

-
7,500
340,000
1,750

135,000
484,250

\$748,115

\$612,250

FY 2002-03 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: SANI ZONE - AIRPORT / LARKFIELD / WIKIUP - CONSTRUCTIO
Section/Index No: 682302

Sub-Object No. and Title	Adopted 2001-02	Requested 2002-03	Difference
REVENUES:			
<u>USE OF MONEY</u>			
1700 Interest on Pooled Cash	\$18,000	\$18,000	\$0
Subtotal Use of Money	\$18,000	\$18,000	\$0
<u>ADMINISTRATIVE CONTROL</u>			
4200 Ent-Ltd Proceeds	\$0	\$0	\$0
4209 Ent-Ltd Proceeds-Clearing	\$0	\$0	\$0
Subtotal Adminisrative Control	\$0	\$0	\$0
<u>OTHER FINANCING SOURCES</u>			
4625 OT - W/in Special Dist - BOS	\$4,300,000	\$0	(\$4,300,000)
Subtotal Other Financing Sources	\$4,300,000	\$0	(\$4,300,000)
TOTAL REVENUES	\$4,318,000	\$18,000	(\$4,300,000)
EXPENDITURES:			
<u>FIXED ASSETS</u>			
8500 Land	\$0	\$0	\$0
8510 Buildings / Improvements	2,116,118	995,000	(1,121,118)
9142 Capital Replacement Program	100,000	100,000	0
Subtotal Fixed Assets	\$2,216,118	\$1,095,000	(\$1,121,118)
<u>OTHER FINANCING USES</u>			
8625 OT - W/in Special District - BOS	237,750	237,500	(250)
Subtotal Other Financing Uses	\$237,750	\$237,500	(\$250)
TOTAL EXPENDITURES	\$2,453,868	\$1,332,500	(\$1,121,368)
TOTAL NET COST (Expenditures Minus Revenues)	(\$1,864,132)	\$1,314,500	\$3,178,632

N

Percent Change

0.00%

0.00%

N/A
N/A

N/A

(100.00%)

(100.00%)

(99.58%)

N/A
(52.98%)
0.00%

(50.59%)

(0.11%)

(0.11%)

(45.70%)

(170.52%)

FY 2002-03 BUDGET
CHARACTER JUSTIFICATION

Department - Division: **Sonoma County Water Agency - Sanitation**

Section Title: **Sanitation Zone - Airport/Larkfield/Wikiup - Construction**

Character: **Use of Money** Character No.: **682302-17**

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the Zone by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$400,000
Projected Interest Rate	4.50%
Projected/Planned Interest on Pooled Cash	<u>\$18,000</u>

Character: **Administrative Control** Character No.: **682302-42**

4200 Ent - LTD Proceeds

In order to fund the ALW Sanitation Zone Storage, Reclamation, and Treatment Facilities Project, the Zone had considered obtaining additional financing through a low-interest loan from the State Water Resources Control Board, which did not materialize.

4209 Ent - LTD Proceeds - Clearing

This is the clearing account for sub-object 4200, Enterprise - Long Term Debt - Proceeds.

Character: **Other Financing Sources** Character No.: **682302-46**

4625 OT - W/in Special Dist - BOS

This account reflects the transfer of cash from the operations fund and the bond fund to the construction fund to finance the capital replacement program. If the operations fund does not have sufficient cash available to finance planned capital projects, the transfer will not be made and any uncompleted projects will be rescheduled and rebudgeted in the next fiscal year. No such transfer is requested for FY 01/02.

FY 2002-03 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Sanitation Zone - Airport/Larkfield/Wikiup - Construction

Character: Fixed Assets **Character No.:** 682302-85

The subobject and the project cost accounting system (PCAS) breakdown follow:

8510 Buildings / Improvements

This account can be used to provide capacity to new users pursuant to the County General Plan (using connection fee revenue), as well as for treatment plant and reclamation system improvement projects.

The following projects were planned for FY 00-01:

The Reclamation Facilities Project, Tertiary Treatment Upgrades, Irrigation System Interite - Airport via Aqueduct Easement, Disposal sytem Improvements, a Chemical Scrubbing System, Irrigations Timer and Valves, Storage Pond Level Indicators, Settling Pond Improvements and a Grit Drying Pad.	\$ 5,425,000
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The following projects are planned for the forthcoming year:

Chemical Scrubbing System

This budget item will cover inspection costs for the chlorine gas scrubbing system being installed at the treatment plant.	\$ 10,000
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Aeration Basin # 4

PCAS No. TBD \$ 100,000

This budget item will cover the costs of designing Aeration Basin #4, which will increase the capacity of the ALW treatment plant to 1.2 MGD Average Dry Weather Flow.

Reclamation Facilities Project

During FY 99-00, the Board certified the Final Environmental Impact Report (EIR) for the Airport-Larkfield-Wikiup Sanitation Zone Storage, Reclamation, and Treatment Facilities Project. The Board subsequently approved the preferred project as identified in the Final EIR. Requested appropriations for this project for FY 01-02 are as follows:

Reclamation Facilities Project

PCAS No. 3331 \$ 20,000

(Previously known as Phase 3&4 Storage/Disposal)

This budget item will cover the costs of inspecting the construction of a 110 million gallon storage pond on Site D as identified in the ALW Zone Reclamation Facilities Project.

Tertiary Treatment Upgrades

PCAS No. 3708 \$ 50,000

The budget requested for the forthcoming year will allow completion of upgrading the ALW treatment plant by the addition of filters and a chlorine contact basin. This upgrade will allow connection to the City of Santa Rosa's Geysers Pipeline as a disposal option in the future.

FY 2002-03 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Sanitation Zone - Airport/Larkfield/Wikiup - Construction

Character: Fixed Assets (continued) Character No.: 682302-85

<u>Irrigation System Intertie - Airport via Aqueduct Easement</u>	PCAS No. 3594	\$ 15,000
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This budget item will cover the costs of inspecting the construction of an irrigation system transmission pipeline between Slusser road and Mark West Station Road, along the Agency's existing Santa Rosa Aqueduct Easement.

<u>Pipeline Connection to Santa Rosa via River Road</u>	PCAS No. TBD	\$ 800,000
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This budget item will cover the costs of design and construction of a pipeline which will connect the ALW irrigation disposal system with the City of Santa Rosa's irrigation reclamation system.

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Subtotal for Buildings / Improvements (Sub-object 8510)		\$ 995,000
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9142 Capital Replacement Program	PCAS No. TBD	\$ 100,000
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This account reflects funds for repair and replacement of the sewer collection system. Long-term replacement of existing facilities that are worn out and in disrepair will help to bring the facilities up to current sanitation standards and will extend the life of the sanitation infrastructure.

Total Requested for Character 85		\$1,095,000
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Character: Other Financing Uses Character No.: 682302-86

8625 OT - W/in Special Dist - BOS

This account reflects the transfer of cash from the Construction Fund to the Bond Fund for payment of one-half the principal and interest.

FY 2002-03 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Section: Sanitation Zone - Airport / Larkfield / Wikiup - Construction
Index No.: 682302

DESCRIPTION OF FUND ACTIVITY	Actual FY 00-01	Estimated FY 01-02	Requested FY 02-03
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$5,488,194	\$2,394,867	(\$1,752,633)
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	3,448,891	6,420,000	18,000
Expenditures - (Decrease) fund balance	(7,176,966)	(11,107,500)	(1,332,500)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	<u>(3,728,075)</u>	<u>(4,687,500)</u>	<u>(1,314,500)</u>
Adjustments to Reserves/Encumbrances:			
Contributed Capital (Connection Fees) per Auditor	636,973	540,000	0
Capitalized Interest	(62,188)		
Net Change in Retention Payable	0		
Net Change in Encumbrance	59,963		
Rounding			
Net Adjustment - Increase/(Decrease) to Fund Balance	<u>634,748</u>	<u>540,000</u>	<u>0</u>
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$2,394,867	(\$1,752,633)	(\$3,067,133)
Total Increase/(Decrease) in Fund Balance for Fiscal Year (Difference between Beginning and Ending Balance)	(\$3,093,327)	(\$4,147,500)	(\$1,314,500)
<u>Fund Balance Components at Beginning of FY</u>	<u>7/1/00</u>	<u>7/1/01</u>	
Cash	\$5,632,477	\$5,827,808	
Accounts Receivable	0	0	
Other Receivables (Connection Fees)		0	
Accounts Payable	(32,395)	(73,872)	
Contract Retention Payable	0	0	
Encumbrances	(111,888)	(51,925)	
Total Beginning Fund Balance	<u>\$5,488,194</u>	<u>\$5,702,011</u>	